

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



A 280,38  
M34C THE  
Reserve

*Frank W. Linder*

MARKET ADMINISTRATOR

*Market Administrator's*

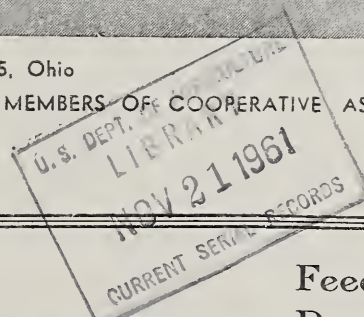
# BULLETIN

Published at 79 East State Street, Columbus 15, Ohio

ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

OCTOBER, 1961

Vol. 17 No. 10



## Milk Cow Numbers in June Show Smallest Decline Since 1954

The Dairy Situation, Economic Research Service, USDA, August 1961

Over the long term, the size of the nation's dairy herd depends upon the aggregate demand for milk and the productivity of dairy cows. The number of milk cows increased steadily from the late 1920's until 1944, except for a short period following the drought of the mid-1930's. During that period, the demand for milk expanded closely in line with population growth, and year-to-year changes in output per cow were relatively small. Substantial declines in the demand for a number of dairy products have occurred since World War II; as a result, total milkfat consumption has remained essentially on a plateau since 1946. At the same time, output of milkfat per cow has been expanding at an increasing rate.

Milk cow numbers reached a mid-year record of 25.6 million in 1944. In every year since then, except 1953, there have been progressively fewer milk cows on farms. A rapid downward adjustment in numbers occurred immediately after World War II, reflecting the drop in butter consumption and curtailment of overseas shipments of American dairy products for military and lend-lease purposes. After that, year-to-year changes were relatively small until 1955, when the number of milk cows began to fall off rapidly. Despite the reduction in the mid-year size of the nation's dairy herd from 21.6 million head in 1954 to 17.4 million head this past June, it was still possible to in-

crease milk production from 122.1 billion pounds in 1954 to 122.9 billion pounds in 1960, because of an unprecedented upsurge in milk production per cow.

Factors that affect the number of milk cows include: (1) The price of milk in relation to production costs, particularly the cost of feed, wage rates, and the price of milk cows; (2) the price of milk in relation to prices of alternative farm products such as beef cattle and hogs; and (3) economic opportunities off the farm. Since milk cow price are in part related to beef cattle prices, changes in the latter also influence the culling rate on dairy farms. Fairly abrupt changes in the relative profitability of the different livestock enterprises are required to noticeably accelerate or decelerate the downward trend in the number of milk cows.

Rapidly rising beef cattle prices between 1958 and 1959 from a cyclical low in prices in 1956 probably accelerated the decline in milk cow numbers which, in 1959, dropped by over 800,000. Since 1959, beef cattle prices have edged downward but are still higher than the low level of 1956. In addition, milk prices in relation to feed prices have been improving since 1954. Recently, this improvement has been due mainly to the increase in milk prices following increases in the support level in September 1960 and again in March 1961. Largely as a result of these

(Continued on Back Page)

## Feed Grain Production Down Eleven Percent

The Feed Situation, Economic Research Service  
USDA, September 1961

Weather has been generally good to excellent for growing feed grains this year throughout most of the Midwest and the South. The resulting higher yield per acre has partly offset the 20 million acre reduction in feed grain crops. Feed grain production was estimated in September at 137 million tons, 11 percent below the record output in 1960.

The total acreage of feed grains to be harvested in 1961 is now estimated at 107 million acres, 20 million or 16 percent less than in 1960. Feed grain yield per acre is expected to reach a record high in 1961. Corn and sorghum yields are above those of 1960, more than offsetting lower yields of oats and barley. The average yield of these four feed grains was estimated in September at 1.28 tons per harvested acre, 5 percent above the record of 1960. This continues the sharp rise in yields of the previous 6 years. Yield per acre has gone up over 40 percent in the last 6 or 7 years. The 1961 acreage is 21 percent below the acreage harvested in 1955, when feed grain acreage reached a postwar high, but production is 13 percent higher.

The supply of feed grains for 1961-62 will total about 222 million tons, on the basis of September 1 indications, 7 million tons or 3 percent smaller than in 1960-61. The smaller supply this year is the result of smaller crops of each of the 4 feed grains. Total feed grain production

(Continued on Back Page)





# Columbus

### PRICE SUMMARY

|                                                            |       |
|------------------------------------------------------------|-------|
| Producers' Uniform Price (3.5%)                            | ..... |
| Producers' Uniform Price (4%)                              | ..... |
| Class I (3.5%)                                             | ..... |
| Class II (3.5%)                                            | ..... |
| Class III (3.5%)                                           | ..... |
| Class IV (3.5%)                                            | ..... |
| Producer Butterfat Differential for each one-tenth percent | ..... |

|                                                  |       |
|--------------------------------------------------|-------|
| Percent of Producer Milk in Class I .....        | ..... |
| Percent of Producer Butterfat in Class I .....   | ..... |
| Percent of Producer Milk in Class II .....       | ..... |
| Percent of Producer Butterfat in Class II .....  | ..... |
| Percent of Producer Milk in Class III .....      | ..... |
| Percent of Producer Butterfat in Class III ..... | ..... |
| Percent of Producer Milk in Class IV .....       | ..... |
| Percent of Producer Butterfat in Class IV .....  | ..... |

|                                         |       |
|-----------------------------------------|-------|
| Total Pounds of Producer Milk Delivered | ..... |
| Average Daily Class I Producer Milk     | ..... |
| Total Number of Producers               | ..... |
| Average Daily Production per Producer   | ..... |
| Average Butterfat Test                  | ..... |
| Total Value of Producers Milk at Test   | ..... |
| Income per Producer (7 day average)     | ..... |

|          |           |       |
|----------|-----------|-------|
| Class I  | Skim      | ..... |
| Class I  | Butterfat | ..... |
| Class I  | Milk      | ..    |
| Class II | Skim      | ..... |
| Class II | Butterfat | ..... |
| Class II | Milk      | ..... |

|            |       |
|------------|-------|
| Milk       | ..... |
| Buttermilk | ..... |
| Chocolate  | ..... |
| Skim       | ..... |
| Cream      | ..... |

| Sept.<br>1961  | August<br>1961 | Sept.<br>1960  |
|----------------|----------------|----------------|
| \$4.86         | \$4.47         | \$4.77         |
| 5.255          | 4.86           | 5.155          |
| 4.684          | 4.664          | 4.556          |
| 4.284          | 4.264          | 4.156          |
| 3.926          | 3.927          | 3.851          |
| 3.253          | 3.254          | 3.097          |
| 7.9¢           | 7.8¢           | 7.7¢           |
| 83.0           | 78.1           | 85.7           |
| 83.7           | 78.0           | 85.3           |
| 8.9            | 8.5            | 8.6            |
| 2.6            | 2.7            | 2.6            |
| 3.8            | 4.9            | 2.1            |
| 5.8            | 7.2            | 3.5            |
| 4.3            | 8.5            | 3.6            |
| 7.9            | 12.1           | 8.6            |
| 27,490,420     | 26,599,504     | 26,321,725     |
| 760,303        | 670,028        | 752,060        |
| 1,229          | 1,218          | 1,611          |
| 746            | 705            | 545            |
| 3.58           | 3.60           | 3.63           |
| \$1,266,428.46 | \$1,205,952.13 | \$1,195,216.07 |
| \$240.44       | \$223.57       | \$173.11       |
| 21,988,066     | 20,025,476     | 21,746,926     |
| 823,863        | 746,179        | 814,882        |
| 22,811,929     | 20,771,655     | 22,561,808     |
| 2,515,175      | 2,364,866      | 2,326,833      |
| 25,575         | 26,424         | 24,712         |
| 2,540,750      | 2,391,290      | 2,351,545      |
| 302,372        | 265,779        | 300,104        |
| 5,556          | 5,782          | 5,634          |
| 17,744         | 11,872         | 18,722         |
| 12,496         | 11,416         | 11,416         |
| 8,558          | 7,913          | 8,648          |

COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

Sept. 1952 - '61

| Year | Receipts from Producers | Average Butterfat Test | Percentage of Producer Milk in Each Class |          |           |          | Uniform Producer Price (3.5%) | Class prices at 3.5% |          |           |          | Number of Producers | Daily Average Production |
|------|-------------------------|------------------------|-------------------------------------------|----------|-----------|----------|-------------------------------|----------------------|----------|-----------|----------|---------------------|--------------------------|
|      |                         |                        | Class I                                   | Class II | Class III | Class IV |                               | Class I              | Class II | Class III | Class IV |                     |                          |
| 1952 | 17,648,314              | 3.98                   | 80.3                                      | 17.3     | 2.4       | —        | 5.14                          | 4.23                 | 4.83     | 3.897     | —        | 2,128               | 270                      |
| 1953 | 20,419,562              | 3.89                   | 80.1                                      | 15.8     | 4.1       | —        | 4.52                          | 4.649                | 4.249    | 3.474     | —        | 2,234               | 305                      |
| 1954 | 21,316,057              | 3.82                   | 79.5                                      | 8.1      | 7.2       | 5.2      | 4.30                          | 4.456                | 4.056    | 4.056     | 3.181    | 2,166               | 328                      |
| 1955 | 21,917,159              | 3.77                   | 82.0                                      | 8.9      | 7.0       | 2.1      | 4.48                          | 4.55                 | 4.15     | 4.15      | 3.195    | 2,089               | 350                      |
| 1956 | 23,259,478              | 3.75                   | 80.7                                      | 8.9      | 6.1       | 4.3      | 4.43                          | 4.528                | 4.128    | 4.128     | 3.252    | 2,042               | 380                      |
| 1957 | 23,118,767              | 3.73                   | 86.0                                      | 7.2      | 3.5       | 3.3      | 4.54                          | 4.648                | 4.248    | 4.148     | 3.146    | 1,885               | 409                      |
| 1958 | 22,663,422              | 3.71                   | 87.8                                      | 8.8      | 1.0       | 2.4      | 4.41                          | 4.472                | 4.072    | 3.972     | 2.968    | 1,768               | 427                      |
| 1959 | 24,655,540              | 3.65                   | 92.2                                      | 5.7      | .8        | 1.3      | 4.88                          | 4.584                | 4.184    | 3.866     | 3.167    | 1,732               | 475                      |
| 1960 | 26,321,725              | 3.63                   | 85.7                                      | 8.6      | 2.1       | 3.6      | 4.77                          | 4.556                | 4.156    | 3.851     | 3.097    | 1,611               | 545                      |
| 1961 | 27,490,420              | 3.58                   | 83.0                                      | 8.9      | 3.8       | 4.3      | 4.86                          | 4.684                | 4.284    | 3.926     | 3.253    | 1,229               | 746                      |

## CCC Increases Purchase Price For Cheese And Nonfat Dry Milk

The Dairy Situation, Economic Research Service, USDA, August 1961

Manufacturing milk prices in the first 3 months of the current marketing year, April through June, averaged 15 cents per hundredweight higher than a year ago. When these prices are adjusted for seasonal variation in fat content, they are 3 to 4 cents below the support price of \$3.40 per hundredweight. Because of this, the CCC on July 18 raised the purchase prices for nonfat dry milk and Cheddar cheese by .5 and .4 cent per pound respectively for products produced on or after that date. These higher purchase prices are expected to be reflected in U.S. average manufacturing milk prices equal to announced support price. The impact of higher CCC purchase prices on manufacturing milk prices should be evident in August prices, but there will be an additional delay before the entire effect is transmitted to the fluid sector of the market.

In July, farmers received \$4.03 per hundredweight for all milk wholesales, compared with \$3.96 a year earlier. Adjusted to the annual average fat test, manufacturing milk prices were \$3.38 per hundredweight in mid-July compared with \$3.19 a year earlier. In the last quarter of the year, manufacturing milk prices adjusted to the annual average fat test may be close to a year earlier; last year, these prices averaged about the same as the current level of support of \$3.40 per hundredweight.

No adjustment was made in the CCC purchase prices for butter because the prices received for butterfat in farm-separated cream through June were equal to the support price of 60.4 cents per pound. Butterfat prices depend almost entirely on the price of butter, since farm sales of butterfat are used in butter production. In mid-July the average price of butterfat dropped to 60.2 cents per pound, but seasonal increases during the rest of the year are likely to lift prices above support.

In July, dairy product prices at retail were generally higher than a year ago. Butter was up 3 percent, fluid whole milk was up 2 percent, evaporated milk up 1 percent, and cheese up 7 percent. Part of the increase in the price of cheese was due to a widening of the farm-wholesale marketing margin. In the four months ending in July, these products have shown essentially no price change. On the other hand, the price of oleomargarine has been steadily increasing over the 1960 level since January; in July, oleomargarine was retailing for 10 percent more than in July 1960. The higher price reflects rising prices for food fats and oils. Over the coming months, the large supplies of dairy products are likely to keep prices for these items quite stable. Cheese prices will not repeat the highly unusual 5 cent per pound increase that occurred in the fall of last year.

## EXPORTS IN 1960-61 CLOSE TO RECORD LEVEL LAST YEAR

The Feed Situation, Economic Research Service  
USDA, September 1961

Exports of feed grains in the 1960-61 marketing year are expected to total close to the record 12.7 million tons exported in 1959-60. Corn exports are expected to set a new record of around 290 million bushels for the October-September marketing year. Exports of other feed grains, however, have been substantially smaller. Sorghum grain probably will total only about 70 million bushels for the entire marketing year. Exports of barley in the 1960-61 July-June marketing year totaled 86 million bushels. Exports of these two grains are 25 to 30 percent less than the heavy exports in the 2 preceding years. Oat exports, including grain equivalent of oat products, totaled 29 million bushels, also substantially below the 45 million exported in 1959-60.

## FOOD LEADS COST OF LIVING INDEX UPWARD

Food costs have risen less since 1947-49 than most other consumer items in the cost-of-living index. For all items on the list, the increase in cost to early 1961 was 27.5 percent. For all food, the increase was 21.2 percent. For rent, it was 45.7 percent, for medical care, 59.6 percent.

The farmer gets none of this increase in cost for the food he produces. In fact, he receives 12 percent less for the farm food "market basket" than he did in 1947-49. This accounts for the fact that the cost of farm-grown food has risen only 12 percent, although processing and marketing costs have risen 36 percent.



## Hay Production Down from Last Year; Pastures Better Than Average

The Feed Situation, Economic Research Service  
USDA, September 1961

The 1961 hay crop was estimated in September at 111 million tons, 7 million tons less than in 1960 and 3 million tons below the 1955-59 average. The total supply, however, is only slightly below last year's supply, since the smaller crop was largely offset by a 6 million ton increase in May 1 carryover stocks. Hay supplies will be adequate for the livestock on farms over most of the country. In the North Central States, hay production is 12 percent less than last year, but good pasture conditions in most of this area this fall will help to provide adequate forage supplies. The severe drought in North Dakota reduced the 1961 hay crop to 46 percent below production in 1960. Production also was down in most of the other midwestern States. In Wisconsin the crop was down 22 percent, in South Dakota 16 percent, in Illinois 14 percent and in Minnesota 12 percent.

Pasture conditions held up better than average during July and August and furnished more than the usual quantity of feed for livestock on farms. On September 1, pastures averaged 83 percent of normal, 9 percentage points above the 10-year average for that date and slightly above the good condition on that date last year. A continuation of good pasture conditions this fall will reduce the early feeding of 1961 hay and aid in conserving 1961-62 hay supplies.

## FEED GRAIN PRODUCTION

(Continued from Front Page)

is estimated at 137 million tons, nearly 18 million tons below the record output in 1960-61. A substantial part of the prospective reduction in output is offset by a 14 percent increase in carryover stocks, currently estimated at 85 million tons.

Smaller feed grain crops and higher prices probably will result in some reduction in the feeding rate per animal unit. Total utilization, however, may be close to the 143 to 145 million ton level of the past 2 years. Feed grain production is expected to fall below requirements for feeding; other domestic use and exports. The total tonnage fed to livestock may be a little below the record 119 million tons fed last year. Exports may also be a little below the 12.6 million tons currently es-

timated for 1960-61. Total utilization in 1961-62 is expected to exceed 1961 production by about 5 million tons, which would mean a comparable reduction in the record carryover stocks, reducing carryover into 1962-63 to around 80 million tons.

## SMALLEST DECLINE SINCE 1954

(Continued from Front Page)

developments, the decline in June milk cow numbers has held to about 350,000 in 1960, and only about 150,000 this year. For the remainder of 1961, milk-feed price relationships would still be above the long-term average relationship, even if there should be some increase in feed prices. Beef cattle and hog prices are expected to remain relatively stable, exhibiting primarily seasonal movements.

## Market Quotations

Sept.  
1961

|                                                                                                              |         |
|--------------------------------------------------------------------------------------------------------------|---------|
| 12 MIDWEST CONDENSERIES 3.5% per Cwt. ....                                                                   | \$3.182 |
| 4 CONDENSERIES (Cincinnati) 3.5% per Cwt. .... (Estimated) .....                                             | 2.837   |
| 4 CONDENSERIES (Tri-State) 3.5% per Cwt. ....                                                                | 2.850   |
| Evaporated Milk Code Price, 3.5% per Cwt. ....                                                               | 2.905   |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati) .....                                              | 3.3639  |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) .....                                                | 3.303   |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton) .....                                                  | 3.327   |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo) .....                                                  | 3.201   |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-State, North Central O.) .....                             | 3.201   |
| Average Weekly Cheddars price per lb. ....                                                                   | .35025  |
| Average price per lb. non-fat dry milk solids, roller process,<br>delivered in Chicago .....                 | .15675  |
| Average price per lb. 92-score butter at Chicago .....                                                       | .60466  |
| Average carlot prices non-fat dry milk solids,<br>roller and spray process, f.o.b. manufacturing plant. .... | .15105  |

## THE Market Administrator's BULLETIN

RETURN POSTAGE  
GUARANTEED

BE STRONGER  
LIVE LONGER  
DRINK MILK

SEC. 34.66 P.L. & R.



Library, Current Serial Record,  
U. S. Department of Agriculture  
Washington 25 D. C.

6

Room 505  
79 East State Street  
COLUMBUS, OHIO